

**SEC/Enforcement/413/2006/1178**

November 30, 2006

**By Courier Service**

1. Dynamic Textile Industries Limited, House# 40/1, Road# 91, Gulshan North Avenue, Dhaka-1212.
2. Directors, Dynamic Textile Industries Ltd. House# 40/1, Road# 91, Gulshan North Avenue, Dhaka-1212.
3. Managing Director, Dynamic Textile Industries Limited, House# 40/1, Road# 91, Gulshan North Avenue, Dhaka-1212.
4. Company Secretary, Dynamic Textile Industries Ltd. House# 40/1, Road# 91, Gulshan North Avenue, Dhaka-1212.

**Sub: Non-compliance of securities laws: In connection with the submission of revised half yearly financial statements for the half year ended on March 31, 2006: Warning.**

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII of 1969) Dynamic Textile Industries Limited is an issuer (herein after referred to as an "issuer").

As per rule 13A of the Securities and Exchange Rules, 1987, the financial statements of an issuer of a listed security shall be prepared in accordance with the forms prescribed for the purpose of preparing the financial statements and the audit report may be adapted or amended, if deemed necessary, for compliance with the International Accounting Standards (IAS) and International Standards of Auditing (ISA), but the issuer company has failed to comply with it by not preparing the half yearly financial statements for the half year ended on March 31, 2006 accordingly.

A show-cause cum hearing notice was issued to the issuer and its directors to explain the contravention and also to appear at the hearing on August 21, 2006. Mr. M.A Kashem, Company Secretary appeared at the hearing and submitted an explanation stating that the half yearly financial statements for the half year ended on March 31, 2006 was submitted showing comparative figure of the corresponding period ended 31<sup>st</sup> March 2004. However, they would re-submit the half yearly statements concerned to the Commission very soon reflecting the position of September 2005. They regretted for the lapses on their part. Subsequently the issuer submitted the said revised half yearly financial statements on August 27, 2006 to the Commission.

The Commission, taking into consideration of subsequent submission of the revised half yearly financial statements, has decided to dispose of the matter by placing on record the Commission's dissatisfaction on the stated default of the issuer with a warning to ensure compliance of the securities related laws in future.

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Please note that this disposal does not absolve the issuer or any of its directors or officers concerned from their lawful responsibilities/obligations to the persons, if any, affected as result of the issuer's above said default.

For Securities and Exchange Commission

**Mansur Alam**  
**Executive Director**

**Distributions:**

Chief Executive Officer, Dhaka Stock Exchange Limited,  
Chief Executive Officer, Chittagong Stock Exchange Limited

**Copy for information:**

Executive Director (R& D), SEC  
Executive Director (CFD), SEC  
Director (MIS), SEC,  
Chairman's Office, SEC